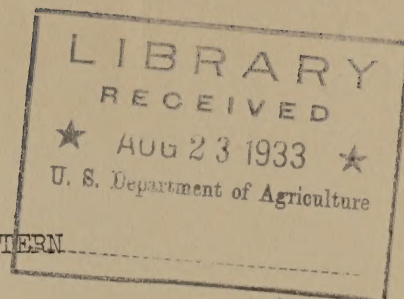


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TENTATIVE MARKETING AGREEMENT FOR SOUTHEASTERN
NEW ENGLAND MARKETS

PROPOSED AGREEMENT RELATING TO MILK MARKETING FOR THE SOUTHEASTERN NEW ENGLAND MARKETS DRAFTED BY LOCAL DAIRYMENS' CO-OPERATIVE ASSOCIATION, INC., PROVIDENCE, FALL RIVER MILK PRODUCERS ASSOCIATION, INC., AND NEW BEDFORD MILK PRODUCERS' ASSOCIATION, INC., AND CERTAIN DISTRIBUTORS DOING BUSINESS WITH THEM, WITH APPLICATION FOR HEARING BEFORE THE SECRETARY OF AGRICULTURE.

As used in this agreement, the following words and phrases shall be defined as follows:

- (a) "Contracting Producers" means Local Dairymens' Co-operative Association, Inc., Fall River Milk Producers' Association, Inc., New Bedford Milk Producers' Association, Inc., and such associations of producers and producers of "Regulated Milk" sold or consumed in any "Specified Market" as may at any time become parties signatory to this agreement.
- (b) "Contracting Distributors" means all distributors and all processors of "Regulated Milk" as may become parties signatory to this agreement, according to the terms thereof.
- (c) "Appurtenant Milk Shed" means the farms of producers of milk distributed in each Specified Market, as set forth in Exhibit A.
- (d) "Specified Markets" means the cities of Providence, New Bedford, Fall River and the other cities, towns and townships listed in Exhibit B.
- (d) "Regulated Milk" means such fluid milk, surplus milk, fluid cream, and such other fluid derivatives of milk as are produced in an Appurtenant Milk Shed and sold by Contracting Producers in the Specified Market to which such milk shed is appurtenant, or are ordinarily available to them for such sale.
- (f) "Fluid Regulated Milk" means milk, but not cream, sold in its fluid form by Contracting Producers in any Specified Market.
- (g) "Surplus Regulated Milk" means all other Regulated Milk, other than fluid cream and other fluid derivatives, purchased by Contracting Distributors.

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and development. It begins with the first settlers who came to the New World in search of a better life. They found a land of opportunity, but also a land of challenges. The early years were marked by conflict and struggle, but the spirit of the American people was one of resilience and determination. They fought for their freedom and their right to self-government, and in the process, they created a new nation.

The American Revolution was a turning point in the history of the United States. It was a time when the colonies broke away from British rule and declared their independence. The war was long and difficult, but the American people emerged victorious. They established a new government based on the principles of liberty and justice for all. The Constitution was written, and the United States became a sovereign nation.

The years following the Revolution were a time of rapid growth and expansion. The United States moved westward, settling new lands and creating new states. The economy flourished, and the population grew. The American people were proud of their new nation and its achievements. They believed in the future of the United States and the role of the citizen in its development.

The American Civil War was a period of great hardship and sacrifice. It was a war fought for the preservation of the Union and the abolition of slavery. The war was long and bloody, but it ultimately resulted in the preservation of the United States as a single, unified nation. The Civil War was a defining moment in the history of the United States, and its legacy continues to shape the nation today.

The Reconstruction era was a time of rebuilding and reform. The United States sought to reunite the South and North, and to address the issues of race and civil rights. The Reconstruction era was a period of great change and progress, but it was also a time of struggle and conflict. The American people continued to fight for their rights and the principles of the Constitution.

The United States has come a long way since its founding. It has grown from a small colony to a great nation, and it has achieved many of the goals it set for itself at the beginning. The American people are proud of their history and their future. They believe in the strength of the United States and the role of the citizen in its development.

- (h) "Director" means the milk director appointed in the manner and having the duties hereinafter provided.
- (i) "Secretary" means the Secretary or Acting Secretary of Agriculture of the United States.
- (j) "Act" means the Agricultural Adjustment Act approved May 12, 1933 as amended.

The parties to this agreement are the Contracting Producers, the Contracting Distributors, and the Secretary.

WHEREAS pursuant to the Act, the parties hereto, for the purpose of correcting the conditions now obtaining in the marketing of milk in the Specified Markets desire to enter into a marketing agreement under the provisions of Section 8 (2) of the Act; and

WHEREAS Local Dairymens' Co-operative Association, Inc., Fall River Milk Producers' Association, Inc., and New Bedford Milk Producers' Association, Inc., market more than 75% of the milk marketed in the Specified Markets and represent that they have corporate power and authority to enter into this agreement; and

WHEREAS distributors distributing more than 75% of the milk marketed in the Specified Markets, have signified their intention and desire to become Contracting Distributors; and

WHEREAS the Contracting Producers and the Contracting Distributors desire to provide for a Milk Director and a Board of Arbitration to perform certain duties relative to the orderly production and distribution of milk in the Specified Markets; and

WHEREAS the marketing of milk in the Specified Markets and the distribution thereof affect and enter into both the current of interstate commerce and the current of intrastate commerce, which are inextricably intermingled;

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. The prices at which Regulated Milk shall be sold by Contracting Producers in any Specified Market and/or purchased by Contracting Distributors in such market shall be F.O.B. dealer's platform and not less than those set forth for the particular Specified Market in Exhibit C which is attached hereto and made a part hereof, except that in so far as Contracting Producers shall sell Regulated Milk other than in its raw state, they shall make such sales as Contracting Distributors and at not less than the prices set forth in Exhibit E below referred to for the particular Specified Market

and for the grade of milk and type of sale in question, and shall, if an association, account to its members for such Regulated Milk in its raw state (as distinguished from any compensation for the processing thereof) at not less than the prices set forth in Exhibit C for the particular Specified Market and in the manner set forth in paragraph 4 below. The prices set forth in Exhibit C may be changed from time to time by the Director, provided, however, that such price changes shall become effective only upon the written approval of the Secretary.

2. The Marketing Plan, is attached hereto and made part hereof, and marked Exhibit D. Such Plan may be modified by agreement between the contracting producers and the contracting distributors with the approval of the Director, provided that any such modification shall become effective only upon the written approval of the Secretary.

3. The wholesale and retail prices at which Regulated Milk and other cream from sources outside any of the Appurtenant Milk Sheds shall be resold by the Contracting Distributors in any Specified Market, shall be not less than those defined and set forth for the particular Specified Market in Exhibit E which is attached hereto and made a part hereof. The prices set forth in Exhibit E may be changed by agreement between the contracting producers and contracting distributors with the approval of the Director, provided that such price changes shall become effective only upon the written approval of the Secretary.

4. (a) Payment for Regulated Milk by each Contracting Distributor who pays the prices set forth in Exhibit C shall be made to its producers or associations of producers for periods ending semi-monthly on the 15th and last days of each month, and shall be made not later than 10 days after the close of each period.

(b) The Director shall compute the amount of such payments due by each such Contracting Distributor to each of its producers (or associations of producers in so far as the Contracting Distributor shall make payment to such association) in accordance with the principles set forth in Exhibit D and shall communicate the results of such computation to the Contracting Distributor in sufficient time for such Distributor to make payment as aforesaid. The Director shall at the same time notify such Distributor of the amount by which the total of the foregoing payments shall exceed or be less than the total amount due by such Distributor for Regulated Milk. Such Distributor shall make the foregoing payments in the amounts computed by the Director, deducting and paying over to the various producer associations the amounts authorized by paragraph 5 below and deducting and paying over to the Director the amounts authorized by paragraph 5 below and required by paragraph 9 (d) below, if any. In case the foregoing payments shall be less than the total amount due by such Distributors for Regulated Milk, such Distributor shall at the time of making the foregoing payments pay over to the Director the amount of such difference as

specified by the Director. The Director shall, as soon as reasonably practicable, distribute among such Contracting Distributors whose said payments have exceeded the total amount due by them for Regulated Milk the payments so received by the Director pro rata in accordance with the amount of such excess payments as specified by the Director.

(c) In such cases where such payments are made to associations of producers, such associations shall pay their individual producers in accordance with the principles set forth in Exhibit D.

5. The Contracting Distributors agree that they will deduct from amounts otherwise payable for Regulated Milk such dues and assessments from producers who are members of the Local Dairymens' Co-operative Association, Inc., Fall River Milk Producers' Association, Inc., New Bedford Milk Producers' Association, Inc. and other producer organizations signatory to this agreement as such associations may from time to time in writing direct, and pay the same to said respective associations simultaneously with making payment to producers as aforesaid. Contracting Distributors also agree that they will not purchase Regulated Milk from any producer not a member of said associations unless such producer shall authorize the purchasing Contracting Distributor to deduct and pay over to the Director the same amount per hundred-weight of Regulated Milk purchased which the members of the association controlling the largest volume of Regulated Milk in the particular Specified Market are then authorizing the Contracting Distributor to pay over to such association on behalf of its members; and such purchasing Contracting Distributor shall simultaneously with making payment for Regulated Milk as aforesaid pay over the sums so deducted to the Director. The Contracting Distributors further agree that they will not purchase Regulated Milk from any producer who is a member of any such association unless such producer authorizes the purchasing Contracting Distributor to deduct and pay over to the Director the amount, if any, by which the dues and assessments of the association of which such producer is a member shall be less per hundred-weight than the dues and assessments paid by members of the association controlling the largest volume of milk in the particular Specified Market; and such purchasing Contracting Distributor shall simultaneously with making payment to the producer for Regulated Milk as aforesaid, pay over the sums so deducted to the Director. The sums so paid to the Director shall be kept as a separate fund by the Director for the purpose of securing to the said producers from whom such sums have been deducted, advertising, educational, credit loss and other benefits similar to those which are secured by the members of said associations by virtue of their like payments to their respective associations. The Director shall disburse such funds only with the approval of the Secretary.

6. All producers whose farms have been inspected by the State of Rhode Island, by the city of Fall River, by the city of New Bedford, and by any municipal jurisdiction where the municipality desires such inspection, so that the milk from their farms shall be qualified for sale in the particular Specified Market and the sale thereof shall not be prohibited by the health laws and ordinances applicable to the particular Specified Market,

shall, as heretofore, be permitted as far as marketing conditions may allow to become members of the Local Dairymens' Co-operative Association, Inc., Fall River Milk Producers' Association, Inc., New Bedford Milk Producers' Association, Inc. or any other producer association signatory to this agreement on an equal basis with existing members similarly circumstanced.

7. The Rules of Fair Practices set forth in Exhibit F which is attached hereto and made a part hereof, shall be the Rules of Fair Practices for the Specified Markets. Such Rules may be modified by agreement between the contracting producers and the contracting distributors with the approval of the Director, provided that any such modification shall become effective only upon the written approval of the Secretary.

8. The standards governing the production, receiving, transportation, processing, bottling and distribution of Fluid Regulated Milk shall be that required by the laws and regulations of the states and the ordinances, rules and regulations of municipalities where it is produced and where it is sold and by the standard of quality of the particular Contracting Distributor to whom the milk is sold (approved in case of dispute by the Director).

9. (a) The parties agree that they will name a person satisfactory to the Secretary to act as Director during the period of this agreement. Such Director, or any successor, may be removed by a writing or writings delivered to him and signed by Contracting Producers handling at least 80% of the Fluid Regulated Milk and by at least 30% of all Contracting Distributors including Contracting Distributors handling at least 50% of the Fluid Regulated Milk. In case of any vacancy in the office of Director, a successor shall be appointed by a writing or writings delivered to the Secretary and signed (a) by Contracting Producers handling at least 80% of the Fluid Regulated Milk and (b) by at least 70% of all Contracting Distributors, including Contracting Distributors handling at least 50% of the Fluid Regulated Milk. In case of failure so to appoint a successor within ten days, the Board of Arbitration shall make such appointment, and in case the Board of Arbitration shall fail to make such appointment within a further period of ten days, the Secretary may make such appointment. Nothing contained in this agreement shall, however, be construed to constitute the Director or any person acting under his authority the agent or representative of the Secretary.

(b) Each Contracting Producer and each Contracting Distributor agrees to refer to the Director any disputes whatsoever arising under this agreement, any of its exhibits, or otherwise in connection with the production and distribution of milk for any Specified Market, and, subject to appeal to the Board of Arbitration as hereinafter provided and to the power of the Secretary hereinafter referred to; all action by the Director shall be final and binding upon the Contracting Producers and Contracting Distributors.

(c) The Director shall have power to employ such assistants, clerks, accountants, and counsel as he may deem necessary in the performance of his duties.

(d) The compensation and disbursements of the Director shall not exceed 3¢ per cwt. of Fluid Regulated Milk. The amount necessary to be deducted from time to time shall be approved by Contracting Producers

handling at least 80% of Fluid Regulated Milk shall be paid monthly, one-half by the Contracting Producers and one-half by the Contracting Distributors pro rata in accordance with the amount of Fluid Regulated Milk handled by each. The share payable by the Contracting Producers shall be deducted by the Contracting Distributors from the amounts otherwise due to Contracting Producers and the amount so deducted together with the portion payable by the Contracting Distributors shall be paid to the Director. The Director shall account semi-annually to the parties hereto for the amounts received by him hereunder.

(e) The Contracting Producers and the Contracting Distributors shall severally maintain systems of accounting necessary to permit the Director or his agents or accountants to obtain the information required by him for the proper performance of his duties hereunder, and their respective books and records shall be subject to examination by the Director during usual hours of business, and they shall severally from time to time furnish the Director in accordance with the forms to be prescribed by him or supplied by the Secretary, such information as the Director may request. The information obtained by the Director shall, except for the Secretary, be kept by him as confidential; except that the Director shall upon request furnish any Contracting Producer or any Contracting Distributor with an unitemized statement of the total purchases of Regulated Milk and total sales of Fluid Regulated Milk for any accounting period, and shall furnish each such producer and distributor with a copy of the information obtained from the books of such producer and distributor upon which his particular payments are based.

(f) The Director shall monthly report to the Secretary the results of his audit and shall furnish the Secretary with such further information as the Secretary may from time to time request.

10. (a) All action by the Director shall be subject to appeal to the Board of Arbitration by any Contracting Producer or any Contracting Distributor; provided that if prior to or during proceedings before said Board the Secretary shall act in the premises, the right of appeal or the proceedings shall terminate.

(b) The initial Board of Arbitration shall consist of three members; one member shall be appointed by the Contracting Producers handling at least 80% of the Fluid Regulated Milk; one member shall be appointed by at least 70% of all Contracting Distributors, including Contracting Distributors handling at least 50% of the Fluid Regulated Milk. The two arbitrators so appointed shall choose a third arbitrator. All appointments shall be in writing or writings delivered to the Director and the Secretary. Parties appointing arbitrators as aforesaid shall have power to appoint in the same manner alternates who shall serve in case of the failure or inability of the principal arbitrators to serve, and shall have power so to appoint successor arbitrators and alternates. In the same manner such parties may remove their respective arbitrator, alternate or successor. If for any reason a vacancy shall exist in the office of arbitrator for a period of more than ten days, the Secretary may fill such vacancy, but nothing contained in this agreement shall be construed to constitute the Board of

Arbitration or any member thereof the agent or representative of the Secretary.

(c) The decision of a majority of the Board of Arbitration shall be final and conclusive and shall be effective as of the date specified in the award, subject always to the power of the Secretary hereinafter referred to. The Board of Arbitration shall have power to establish rules governing the taking of appeals and the procedure before the Board. Pending an award by the Board of Arbitration, the operation of the approval, decision, rule, regulation, or other action of the Director appealed from shall, except in cases where the Secretary shall have acted in the premises, as above provided, be suspended.

(d) The Board of Arbitration shall have power to allocate costs not to exceed \$100.00 (including reasonable compensation to the arbitrators, for time actually devoted) provided, however, that the per diem compensation of each arbitrator shall not exceed \$25.00, among such of the Contracting Producers and the Contracting Distributors as in the judgment of the Board shall be affected by the award, in such manner as the Board shall consider just and equitable. Each Contracting Producer and each Contracting Distributor will pay to the Director for the account of the Board, all costs so assessed upon each respectively, forthwith upon notice of the amount thereof, and will upon request of the Director pay to him for the account of the Board, his pro rata share (determined on the basis above set forth for determining the payment of the compensation and disbursements of the Director) of a minimum payment of \$25.00 per month to each of the members of the Board of Arbitration.

11. Whenever as to each other New England Market (other than the Greater Boston Market) the Contracting Producers and the Contracting Distributors handling 70% of the volume of Fluid Regulated Milk shall decide that marketing milk for such other market will be beneficial both for the "Specified Markets" and for such other market they shall suggest that such market be added to the "Specified Markets" included under the terms of this agreement. The Director shall transmit this suggestion to the Secretary, and if the Secretary shall decide that the declared policy of the act may be carried out by adding such other market to the Specified Markets, he shall notify the Contracting Producers and the Contracting Distributors of the addition of such other market under the terms and conditions of this agreement. A schedule of prices to producers and of resale prices, and particular provisions in the Marketing Plan for such market may be added to the Exhibits hereto attached. Thereupon the milk and derivatives distributed in such market shall become Regulated Milk, and all the provisions of this agreement shall apply to such market.

12. In addition to the necessary approvals by the Secretary above set forth, all action by the Director and the Board of Arbitration shall be subject to reversal, modification, and review by the Secretary whenever from time to time he shall desire. The Board of Arbitration shall submit to the Secretary such information as the Secretary shall from time to time request.

13. All notices, other than notices by or to the Secretary, by or to Contracting Producers and Contracting Distributors, the Director and the Board of Arbitration shall be properly delivered when mailed, postage prepaid, to the last and usual known address of the recipient.

14. This agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until the last day of the month following the aforesaid effective date, and thereafter from month to month, except that:

(a) The Secretary may (and shall upon the written request of either Contracting Producers controlling 75% of the volume of Fluid Regulated Milk, or 50% of the Contracting Distributors, or Contracting Distributors handling 75% of the volume of Fluid Regulated Milk, but in no case less than ten Contracting Distributors) by notices in writing deposited in the registered mail on or before the 20th day of any month and addressed to the associations of producers signatory to this agreement and to Contracting Distributors at their respective addresses on file with the Secretary, terminate this agreement as of the end of such month.

(b) The Secretary may for good cause shown, as of the end of the month, terminate this agreement as to any Contracting Producer or any Contracting Distributor by notice in writing deposited on or before the 20th of said month in the registered mails and addressed to such party or parties.

(c) This agreement shall in any event terminate whenever the President or Congress shall terminate those provisions of the Act which authorize this agreement.

15. The benefits, privileges and immunities conferred by virtue of this agreement shall cease upon its termination except with respect to acts prior thereto, and the benefits, privileges and immunities conferred by virtue of this agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done prior thereto.

IN WITNESS WHEREOF, each Contracting Producer and each Contracting Distributor has caused this agreement to be duly executed on his or its behalf and on behalf of any of its principals or members, and all companies from time to time controlled by it, and its and their successors and assigns, and the Secretary of Agriculture of the United States has executed this agreement.

EXHIBIT A

APPERTINANT MILK SHEDS

1. Providence: All inspected farms of producers who are registered and licensed from time to time by the State of Rhode Island for sale of milk in the Providence Specified Market, being located in the States of Rhode Island, Connecticut, Massachusetts and Vermont.
2. Newport: All inspected farms of producers who are registered and licensed from time to time by the City of Newport for sale of milk in the Newport Specified Market, being located in the State of Rhode Island.
3. Fall River: All farms of producers which have been inspected by Massachusetts and the City of Fall River for sale of milk in the Fall River Specified Market, being located in the States of Massachusetts and Rhode Island.
4. New Bedford: All farms of producers which have been inspected by Massachusetts and the City of New Bedford for sale of milk in the New Bedford Specified Market, being located in the State of Massachusetts.

EXHIBIT B

SPECIFIED MARKETS

1. Providence: The City of Providence and the remainder of the State of Rhode Island, excepting the County of Newport, and the Cities and Towns of Attleboro, Blackstone, Seekonk, Northbridge and Uxbridge, in the State of Massachusetts.
2. Newport: The entire County of Newport excepting the Townships of Portsmouth and Tiverton.
3. Fall River: The City of Fall River, Massachusetts and the following Cities and Towns: Swansea, Somerset, Westport, in the Commonwealth of Massachusetts, and the Towns of Little Compton, Tiverton and Portsmouth in the State of Rhode Island.
4. New Bedford: The City of New Bedford, in the Commonwealth of Massachusetts and the following Cities and Towns in the Commonwealth of Massachusetts: Freetown, Rochester, Acushnet, Fairhaven, Mattapoisett, Marion and Dartmouth.

EXHIBIT C

PRICES TO PRODUCERS

Subject to computation in accordance with Exhibit D the minimum prices to producers of Southern New England Milk shall be as follows:

A. Fluid Regulated Raw Milk.

1. Where milk is trucked directly from the farm to distributor's city plant in the Specified Markets the following shall be the minimum prices paid by contracting distributors to producers.

Class 1 Family Milk:

Providence - 3.255 F. O. B. Dealers' Platform.

Newport

New Bedford

Fall River - 3.255 F. O. B. Dealers' Platform.

Class 1 Grade A Milk: To the price of Class 1 Family Milk there shall be added at least one cent per quart as delivered to the distributor's platform for each quart of Grade A Milk sold as such. The amount of money represented by the one cent per quart for each quart sold as Grade A shall be returned to the producers as follows: Producers whose milk shows by the average of not less than four plate counts a month, using the American Public Health Association Standard Methods; a count of less than 10,000 bacteria per cubic centimeter shall receive a premium 20% higher than the premium received by producers whose bacteria count by the same method is more than 10,000 but less than 25,000 per cubic centimeter.

(a) Where the distributor furnishes containers from producers' farm to the receiving station of the distributor the price shall be decreased by .0075 per hundred-weight. This provision shall not apply to the City of New Bedford.

(b) The foregoing prices are based upon milk testing 3.5% butter-fat and shall be subject to a differential for each one-tenth of one per cent butter-fat above or below 3.5% of four cents.

2. Where milk passes through a country receiving station the following shall be the minimum prices paid by contracting distributors to producers, based on the receipt of milk at the country receiving station, receiving room door, in the zone 181 -- 200 miles from Providence.

EXHIBIT C
(continued)

Class 1 Family Milk \$2.5215

The foregoing prices shall be adjusted to reflect whatever point of receipt and various services rendered, as follows:

(a) Where shipment originates in a zone other than the 181 - 200 mile milk zone, the price per hundred-weight shall be increased or decreased by the amount by which the L. C. L. passenger railroad tariff per hundred-weight for the zone of shipment exceeds or is less than such tariff for 181 - 200 mile zone.

(b) In case the distributor receives milk at the country receiving station, shipping room door, or later, there shall be added to the price a country station charge of \$.2325 per hundred-weight.

(c) In case the distributor shall not furnish containers from the country receiving station to the distributing city plant the price shall be increased by \$.03 per hundred-weight.

(d) In case the distributor trucks milk from country receiving station located more than one mile from the railroad to the railroad, the price shall be decreased by the actual cost of such trucking.

(e) Where the distributor does not operate a country receiving station and country receiving station ices and loads the cars or trucks there shall be added to the price \$.03 per hundred-weight.

(f) Distributors may combine their shipments so carload volume will be shipped.

(g) Where the distributor receives his milk at the railroad platform in the specified market instead of the adjustment under (a) above there shall be added to the price the carload railroad rate for the zone shipment in cases where shipment is in carload lots, and L. C. L. passenger railroad tariff for 40 qt. cans for the zone of shipment where shipment is in less than carload lots.

(h) Where the distributor receives his milk at his city plant in the specified market there shall be added to the price the actual cost of trucking from railroad platform in the specified markets, in case of rail shipments, and the actual cost of trucking from the country station in the case of truck shipments.

EXHIBIT C

(continued)

B. Surplus Milk

1. The price for Class 2 milk shall be determined f. o. b. point of initial receipt from producer in accordance with the following formula:

(a) Take for the month during which Class 2 Milk is received, the average of the daily quotations issued by the U.S.D.A. Bureau of Agricultural Economics for 92 score fresh butter at Boston plus 43%, multiply the price per pound thus obtained by 3.5 and thereby determine the final price per hundred-weight for product covered by Class 2.

(b) The above prices are based on milk containing 3.5% butter-fat subject to a differential for each 1/10 of 1% butter-fat above or below 3.5% butter-fat of five cents.

C. Cream as Such

The price for cream as such delivered by Contracting Producers shall be determined in accordance with the formula for determining the butter-fat cost in sub-paragraph (a) under Section B above plus 8¢ per pound of butter-fat, plus container service and transportation to the market from the point of shipment, as provided in sub-paragraph (b), (e), and (g) of Paragraph 1 of sub-division A hereof.

D. Skimmed Milk as Such

The price of skimmed milk as such delivered by Contracting Producers shall be \$1.00 per 40 qt. can f. o. b. Providence.

E. Definitions

- (a) "Class 1 Milk" or "Fluid Milk" shall be all Fluid Regulated Milk sold by the Distributors, wholesale, retail, bottled and bulk sold on some other market.
- (b) "Class 2 Milk" or "Surplus Milk" shall be the surplus Regulated Milk handled by the Distributor.
- (c) The weight of a quart of milk shall be taken as 2.15 pounds, and 100 pounds of milk shall be taken to include $46\frac{1}{2}$ quarts.
- (d) The Milk contained in a "40 quart can" of milk filled to the neck shall be deemed to weigh 85 pounds and to contain $39\frac{1}{2}$ quarts.

EXHIBIT C

(continued)

- (e) "Milk" shall be all milk or cream containing not exceeding six percent butter-fat.
- (f) "Cream" shall be all milk or cream containing more than six percent butter-fat.
- (g) The cream contained in a forty-quart can of 40% cream filled to the neck shall be deemed to weigh 82.5 pounds of cream and to contain 33 pounds of butter-fat.
- (h) Milk shall be classified as to its recognized grade when first received by the Distributor and shall be paid for accordingly.

EXHIBIT D

MARKETING PLAN

METHOD OF COMPUTING PAYMENTS TO PRODUCERS AND RULES
FOR THE ESTABLISHMENT AND CONTROL OF BASE AND SURPLUS MILK

1. For the purpose of this agreement the term "bases" as used in respect to any producer, farm or herd as the case may be, delivering milk directly to the Distributor in the Southeastern New England markets shall be the quantity of milk now established as a base for the particular producer, farm or herd; except that in respect to those producers who sell milk to Distributors within the Specified Markets at the time that this Agreement goes into effect, and who have no such established base, then, all such producers shall establish a basic quantity by taking their total production during the months of January, February, March, 1933, and dividing the sum thereof by 90 thereby establishing a daily base, except that new producers for temporary periods such as are provided under the Rhode Island Statute (1775-1931) if marketing conditions permit will be allowed during the first ninety (90) days in which they produce and market, to establish a base equal to 80% of their average daily deliveries for part of said ninety (90) days as falls within the period from July 1 to April 30th inclusive, and 70% of their average daily production for such part of said ninety (90) days as falls within the period from May 1 to June 30. During the period establishing the base, new producers shall receive the basic price for the amount of milk to be included in the rating.

2. Penalty for delivering under-ratings - Producers delivering less than 85% of their rating for four consecutive periods (two months) shall establish a new rating equal to the average of such production during such period.

3. The base will go with the farm except when the herd of cows is moved en bloc by the same owner to a new farm. Farms not producing milk when the plan becomes effective shall hold their established base for a period of six months.

4. Basic ratings cannot be bought, sold or transferred, except as provided. There can be only one basic rating for a farm. Producers changing from one buyer to another will receive the same basic rating with the new buyer as existed with the old buyer. Milk cannot be bought, sold or transferred between producers, nor can producers sell any of their product to other dealers in fluid milk form without the approval of the Director.

5. The base will remain in effect for a period of six months following the loss of barn or herd, or both, by fire, following the loss of herd by lightning, and the base shall remain in effect for a period of six months following the initial T. B. test and a period of three months following the second T. B. test. The base shall also be retained for a period of 45 days in the case of being shut off by the Board of Health; in case of Board of Health quarantine due to contagious disease base will be retained for the period of quarantine.

EXHIBIT D
(continued)

6. The base for the year 1934 will be determined from the average of deliveries during July, August, September, October and November, 1933. The total of such ratings for the particular area may equal the total average fluid milk sales for the particular area during the months of September, October and November, 1933, provided the total local deliveries during this period for the particular area equal at least the sales for the same period. A method will be worked out to allocate to producers, annually, the ratings lost by other producers through agreement between the Producers' Associations and the Distributors subject to the approval of the Director. It shall be a recognized policy to give producers who have most nearly met their ratings throughout the year and who desire increases the first opportunity to increase their ratings.

7. In making monthly settlements any excess in sales over ratings or bases delivered will be handled by applying such excess sales on the excess delivered by producers to their particular Distributor in the Specified Market. When the total of fluid milk sales for any particular month are less than the total of ratings established, then the fluid milk sales will be proportioned among those producers on the basis that total sales are to total bases or ratings.

8. Milk must not be transferred between producers for the purpose of taking advantage of favorable or unfavorable base positions of producers. Milk of a producer, that is transferred from one distributor to another and participates in the fluid sales allotment will take with it the established base as made during the rating period.

9. Milk purchased in time of shortage by the groups from outside sources shall be deducted from sales before payment is figured, when authorized by the Director.

10. The Director shall be authorized to verify all reports and determine ratings under this plan. Expense of such verification shall be paid by the industry by an assessment on milk handled, one-half from producers and one-half from distributors.

11. In determining the price which the producers will receive for base or rating milk delivered, the Director shall obtain the following information from each Contracting Distributor.

- (a) The amount of fluid milk delivered by producers as rating or base milk.
- (b) The amount of fluid milk delivered by producers in excess of base or rating milk.
- (c) The amount of milk sold as Fluid Regulated Milk in the Specified Market.

The allocation of producers from one plant to another, in order to equalize the consumptive demands of the several distributors, shall be done by the respective co-operative associations for the members; the allocation of non-member producers shall be left to the Director.

EXHIBIT E

RETAIL PRICES

Fluid Regulated Milk and Cream Price Schedule - Minimum Retail Prices.

A. Retail:

Milk - bottled

"Family" -

Quarts	\$.13
Pints	.08½

"Grade A" -

	Double Cap	Single Cap
Quarts	\$.16	\$.15
Pints	.10	.09

"Skimmed milk" and "Buttermilk" -

Quarts	\$.09
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Cream - bottled - Delivered to the consumer by distributor or by store.

		<u>Quarts</u>	<u>Pints</u>	<u>1/2 Pints</u>
Light	18%-20%	—	\$.20	\$.12
Medium	25%-27%	—	—	.15
Heavy	34%-35%	—	—	.18
Extra Heavy	38%-40%	\$.70	—	.20
Sour	20%-22%	.38	.20	.12

Retail Cream - bottled - From stores on Cash and Carry Basis - (When not delivered by the store).

		<u>Quarts</u>	<u>Pints</u>	<u>1/2 Pints</u>
Light	18%-20%	—	—	—
Medium	25%-27%	—	—	\$.14
Heavy	34%-35%	—	—	.17
Extra Heavy	38%-40%	—	—	.19
Sour	20%-22%	\$.36	\$.19	.11

EXHIBIT E
(continued)

B. Wholesale: At Vendee's store or plant.

Milk bottled

Family Milk

Quarts	\$.11
Pints	.06 $\frac{1}{2}$
1/2 Pints	.04
Bulk - 8 qt. can	.80
Bulk -40 qt. can	3.40
To peddler at plant (1 cent less than wholesale price)	
Bulk - 40 qt. can	3.00

Grade A Milk

	Double Cap	Single Cap
Quarts	\$.14	\$.13
Pints	.10	.09
1/2 Pints	.05	.04 $\frac{1}{2}$
Bulk - 8 qt. can		\$.96

Skimmed Milk and Buttermilk

Quarts	\$.07 $\frac{1}{2}$
1/2 Pints	.03 $\frac{1}{2}$
Bulk - 8 qt. can	.40
Bulk -40 qt. can	1.80

Cream - bottled

		<u>Quarts</u>	<u>Pints</u>	<u>1/2 Pints</u>
Light	18%-20%	\$.34	\$.18	
Medium	25%-27%	.40		\$.12
Medium	29%-31%	.45		
Heavy	34%-35%	.50		.15
Extra Heavy	38%-40%	.60		.17
Sour	20%-22%	.34	.18	.10

Cream - Bulk per 8 quart can

<u>Test</u>	<u>Price Per Can</u>
16%	\$2.00
20%	2.40
25%	2.80
30%	3.30
35%	3.75
40%	4.25

Cream - Bulk - per 40 quart can

<u>Test</u>	<u>Price Per 40 qt. can</u>
40%	\$17.00

C. Wholesale: At Processor's Platform

Three-fourths cents allowance will be deducted from delivered whole-sale price for package delivered F.O.B. Processor's Platform.

EXHIBIT F

RULES OF FAIR PRACTICES

For the government of the milk distribution
business within the Specified Markets

* * * * *

It shall be unfair practice to:

- (1) Simulate a distinctive feature of a competitor.
- (2) Use returnable containers belonging to or marked with the name of a competitor.
- (3) Furnish mechanical refrigeration or ice to customers, other than cracked ice on cases.
- (4) Make loans to customers, to endorse notes for customers, or to in any manner, directly or indirectly, finance or purchase an interest in a customer's business, or to extend credit beyond the usual terms to which the customer has been entitled.
- (5) Use false or misleading or injurious advertising or to spread false or disparaging statements, printed, written, or oral, respecting a competitor's products, business, personal or financial standing.
- (6) Furnish milk or cream of higher cost than billed to a customer.
- (7) Bribe or subsidize employees of others.
- (8) Induce or attempt to induce employees to leave the service of a competitor for the purpose or with the intent of securing the trade or customers of such competitor.
- (9) Give commissions or other payments to apartment house owners, leasers, managers, real estate agents, etc., provided, however, that where an apartment house manager or janitor shall render service in connection with the delivery of milk or collection of bottles, such janitor or manager may be provided with milk for personal use at not less than the established wholesale bottled milk price.
- (10) Give free bottles to stores.

EXHIBIT F
(continued)

- (11) Give away goods or samples in such quantities as to hamper and embarrass competitors or to have the effect of rebates.
- (12) Sell one article of merchandise at less than cost and recoup such loss on other articles sold at the same time.
- (13) Use any method or device to effect a rebate or discount, whether by discount, rebate, free service or advertising allowance, except for discounts to employees.
- (14) Any person to deliver milk or cream to any person who sells the same at less than the established schedule of prices.
- (15) Offer any unusual service not customarily offered to all similar customers for the purpose of securing business.
- (16) Make untrue statements regarding the matter of pasteurization and butter-fat content of milk and cream.
- (17) Misrepresent the sources of supply of milk or cream sold by the dealer.
- (18) Make claims of certain virtues or benefits as to use of milk or cream which cannot be substantiated.
- (19) Extend the cream line by the use of homogenizing or emulsifying the cream or by any other artificial process.
- (20) Distribute samples of product of a better grade than the product represented by such samples.
- (21) Give or offer to give premiums.
- (22) It is to be considered a duty and not an unfair practice or objectional in any sense of the word, for a member to make a report of unethical conduct, unsatisfactory conditions, or illegal practice to the Director in writing, and to supply the Director with all the evidence that the report may be substantiated.
- (23) It is the duty of all elements in the industry to cooperate with the public health authorities.
- (24) Any practice that is deceptive or unfair, that strays from good honest business principles, will be discouraged at all times.
- (25) Evidence presented to the Director as to any infraction of these rules of fair practices must be accompanied by adequate proof to support the complaint.

EXHIBIT F
(continued)

RULES OF FAIR PRACTICES AS BETWEEN CONTRACTING
PRODUCERS AND CONTRACTING DISTRIBUTORS

It shall be unfair practice to:

1. Offer bonuses to a competitor's producers either in the form of a higher price or change in conditions affecting price for the purpose of unfairly coercing or injuring a competitor. Fair competition is not condemned.
2. Duplicate investment in the producing section where market conditions do not warrant the same and where it is for the purpose of impairing or destroying the value of a competitor's investment through division of patronage in said section.
3. To obtain supplies of milk by making special inducements not warranted by general market conditions.

II. *Continued*
(continued)

1. The first of the three main branches of the
theology of the Church is the doctrine of God.

2. The second of the three main branches of the

theology of the Church is the doctrine of Christ.
The doctrine of Christ is the doctrine of the
person and work of Jesus Christ. It is the doctrine
of the Son of God who became man and died for
the redemption of the world.

3. The third of the three main branches of the
theology of the Church is the doctrine of the Holy Spirit.
The doctrine of the Holy Spirit is the doctrine of
the Spirit of God who dwells in the hearts of
believers and who is the source of all spiritual
life and power.

4. The fourth of the three main branches of the
theology of the Church is the doctrine of the Church.